

U.S. Membership in the WTO:
Supporting American Workers, Farmers, Businesses, Economic Progress and Security.
April 12, 2000

The United States Benefits from the WTO. The WTO is central to our efforts to lower foreign trade barriers and establish international rules for fair trade; U.S. participation and leadership in the WTO are of critical importance.

- WTO membership guarantees U.S. goods and services providers access to markets world-wide, promotes sustainable development, raises living standards and strengthens peace.
- Membership in the WTO helps advance America's competitiveness in agriculture, manufacturing and high technology industries, advances the rule of law in commerce, and promotes stability in times of economic crisis.

The World's Largest Exporter, the U.S. Gains the Most from a Strong, Open, Multilateral Trading System.

- With 96% of the world's people and nearly four-fifths of the world's economy outside our borders, Americans need to compete in foreign markets to generate economic growth at home. Since 1994, approximately one fifth of U.S. economic growth has been linked to the dynamic export sector.
- Export-related jobs are concentrated in high-wage, high-skill fields that help raise living standards for American families. Jobs supported by goods exports pay 13-16% more than the national average.

The WTO Improved the Trade Environment for the U.S. over the Past Five Years By:

- *Improving Market Access:* In the Uruguay Round, negotiations cut tariffs substantially and by a full third in the manufacturing sector; the Round offered American farmers and ranchers export opportunities through the first enforceable commitments to reduce barriers and to limit the use of export subsidies; and American services providers gained real export opportunities for the first time in the history of the trading system. New entrants into the global marketplace, particularly small and medium-sized enterprises, also benefitted from these new market openings and innovations.
- *Expanding Rule of Law:* the trading system has changed from a complex set of rules applying to relatively few trading partners into a system where the rules apply to *all*.
- *Settling Disputes:* The WTO created procedures to settle disputes promptly, eliminating many of the shortcomings of the earlier GATT system where the process could drag out indefinitely. Application of the rules is also more predictable. The United States has filed more complaints – 49 to date – than any other WTO Member and we are involved as a third party in a number of other cases. The United States has prevailed in 23 of the 25 complaints acted on thus far, either by successful settlement or panel victory.
- *Promoting World Economic Stability:* The WTO boosted the world's ability to address economic crises. The respect WTO members showed for their open market commitments in the 1997 - 99 Asian financial crisis helped prevent a cycle of protection and retaliation similar to that of the Depression era, ensured affected countries the market access they needed for recovery, and minimized the damage to U.S. farmers and exporters of manufactured goods.
- *Creating a dynamic forum for trade liberalization:* The WTO system responds to 21st century needs. The WTO realized and set in motion agreements on basic telecommunications services, financial services, and information technology, whose outcomes are larger in scope than the totality of the Uruguay Round result. It also launched talks to reform further agriculture and to expand services trade this year – two sectors critical to U.S. interests.
- *Staying at the Cutting Edge:* The WTO has kept the trading system at the cutting edge of technological development, benefitting both business and consumers. According to the FCC, for example, the average price U.S. consumers pay for an international long distance call fell from 74 cents per minute to 55 cents per minute since the Agreement on Basic Telecommunications came into effect. On some international routes, rates are comparable with U.S. domestic long distance charges.
- *Protecting Intellectual Property Rights:* Member governments have accepted a landmark set of rules for protecting patents, copyrights, trademarks and other forms of intellectual property. This system protects Americans' research and innovation and creates incentives for further investment and technological progress worldwide.
- *Fostering Greater Openness and Accountability:* The WTO has made a majority of its documents available to the public, reaching out via symposia and other means to the NGO community and creating a Web page. All the WTO Ministerial Meetings held thus far – in Singapore, Geneva and Seattle – enjoyed strong NGO participation. These initial steps lay the foundation for further enhancing the WTO's openness and accountability, which remains a critical U.S. objective, including for WTO dispute settlement.
- *Global Membership:* The WTO has grown 50%, from the 90 Members which launched the Uruguay Round in 1986 to 136 in April 2000, with over 30 more now seeking to negotiate entry. Stringent membership requirements mean acceptance of WTO rules helps open foreign markets to American products and promotes applicants' domestic economic reforms. Acceptance of WTO rules has become a key element of newly emerging market economies in Central and Eastern Europe, and of countries in Asia and the Middle East. Also, many more African countries now participate meaningfully in the system.

The Benefits of the WTO Come Without Damaging U.S. Sovereignty.

- Neither the WTO nor its dispute panels can compel the United States to change its laws or regulations. Only the U.S. can decide how it will respond to WTO dispute settlement reports and only the U.S. Congress can change U.S. law.
- The United States and all other Members retain the right to set the levels of environment, health, and safety protection they deem appropriate, even when such levels of protection are higher than those provided by international standards. Generally, WTO rules simply require that Members opt for a less trade-restrictive measure when they can, and avoid discriminating against foreign in favor of domestic products, and that food safety measures be based on science.
- The WTO is member-driven and its decisions are reached by consensus among all Members. Members are responsible for monitoring compliance with the Agreements and setting the WTO's course; the Secretariat and the WTO Director General serve at the direction of the Membership.